

Neighborhood Development Team

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The Neighborhood Development Team worked to address the public problem of payday loans in Central Indiana. The economic disadvantaged in Indianapolis commonly utilize payday loans. Payday loans average \$300-\$400 at 390% interest. An average payday loan customer will take out nine loans in a given year. Research stated that borrowers generate 90% of the payday lending business with five or more loans per year the problem is that borrowers have an issue repaying loans within a limited period due to these high interest rates and are in need of another loan to pay back the original loan. .

Our model provides the same loans as the payday loans but at a much smaller, 36%, interest rate for a longer duration, thirty days instead of fourteen days. Our loans will also contribute to the borrower's credit score. The greater goal is economic empowerment.

Mentors: John Clark, IU School of Public and Environmental Affairs, IUPUI; Richard Ward, Anthropology, IU School of Liberal Arts, IUPUI; and Karen White, Office of the Vice Chancellor for Research, IUPUI